

**REQUEST FOR DMPC DECISION – PCD 273**

**Title: Construction Professional Services Framework**

**Executive Summary:**

This paper recommends the award of 17 suppliers to a 6 lot framework for the provision of various construction related professional services. The framework is scheduled for a 4 year period, and has an estimated value of up to £50m, the MOPAC element being £40m. Approval of this framework does not restrict MOPAC to its use only for these services, or to any financial commitment.

**Recommendation:**

The DMPC is asked to award a four year, up to £50m, Construction Professional Services Framework Agreement with appointment of 17 multi-disciplinary construction consultancy service providers to one or more of six service Lots as listed in exempt Appendix 2.

**Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

**Signature**

*Spivey Under*

**Date**

*16/10/17*

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. MPS Property Services require access to construction related professional services to enable the delivery of the Estates element of the MOPAC capital programme. The capital programme envisages total investment in the estate of up to £714m.
- 1.2. Construction related professional services include project and programme management, cost management, design services and building control services.

#### **2. Issues for consideration**

- 2.1. The existing 4 year framework has expired. This paper recommends the award of a 6 lot framework to cover the various services needed to support the delivery of the capital programme. This framework complements the Minor and Intermediate Building Works framework MOPAC approved in August 2017. The estimated value of the framework is up to £50m, including provision for non-MOPAC bodies call off from the framework.
- 2.2. The approval of the award of this framework does not commit MOPAC to any expenditure, and does not restrict MOPAC to its use only in obtaining these services.

#### **3. Financial Comments**

- 3.1. The cost of any MOPAC call off or direct award from this framework will be met from the relevant capital project budget, and will be subject to the relevant MPS and MOPAC governance of the specific business case.

#### **4. Legal Comments**

- 4.1 The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (PCR 2015). When awarding public contracts for goods and services valued at £172,514 or above, all contracting authorities must do so in accordance with PCR 2015. This report confirms the value of the requirement exceeds this threshold. Consequently, the provisions of the PCR 2015 will apply.
- 4.2 Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent (the Scheme) requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above.
- 4.3 A full OJEU restricted tender has been undertaken in accordance with Public Contract Regulations 2015. A procurement exercise has been undertaken to determine MOPAC can compliantly utilise the new Framework Agreement for the purpose of awarding call-off contracts under it.

#### **5. Equality Comments**

- 5.1 There are no direct equality implications arising from this decision.

#### **6. Background/supporting papers**

Appendix 1 – MPS Construction Professional Services Framework

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

**ORIGINATING OFFICER DECLARATION:**

	<i>Tick to confirm statement (✓)</i>
<b>Head of Unit:</b> The MOPAC CFO has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal..	✓
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓

**OFFICER APPROVAL****Chief Executive**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

*R. Lawrence*

Date 12/10/17



## **ESTATES TRANSFORMATION CONSTRUCTION PROFESSIONAL SERVICES FRAMEWORK**

### **Report by Director of Property Services on behalf of Director of Commercial and Finance**

#### **EXECUTIVE SUMMARY**

Property Services Directorate (PSD) requires a new Construction Professional Services Framework in support of its delivery of a planned and significant capital investment in the MOPAC property estate as part of the development of the Estates Transformation Strategy and Implementation Plan and in support of the delivery of the Estates Strategy 2017 – 2021, 'Smarter Working' and One Met Model (OMM) 2020 strategies.

The new Framework will provide the multi-disciplinary design, cost and project and programme management services necessary to deliver capital projects and programmes of work. The overall Framework value is anticipated to be in the region of £40m to £50m with the MOPAC requirements being closer to £40m in professional fees, depending on volume of work.

The Framework term is four years.

A total of 17 consultants are recommended for appointment under the Framework across six Lots (service requirements).

The Framework is collaborative and is open to other public bodies such as GLA Group members and all other UK Police and Emergency Service Authorities. Further communications will be issued to promote its availability.

There is no obligation for MOPAC to call off from the Framework and there is no financial or binding commitment between MOPAC and the suppliers. No exclusivity is given to using this Framework and other routes to market are available to MOPAC if required.

Call-off and award of contracts under the Framework will be subject to further 'mini-competitions' or direct award using pre-tendered competitive rates ensuring value for money is tested and competitive tension retained for the duration of the Framework. Direct awards are likely to be used for low value requirements or where urgent services are required.

#### **A. RECOMMENDATIONS – That DMPC approves:**

1. award of a four-year Construction Professional Services Framework Agreement with appointment of 17 multi-disciplinary construction consultancy service providers to one or more of six service Lots as listed in exempt Appendix 2.

#### **B. SUPPORTING INFORMATION**

##### **Background**

- 2 PSD is managing a significant capital investment in the MOPAC property estate as part of the Estates Transformation Plan. This is in direct support of One Met Model and in particular developing good quality accommodation of the right type to meet the needs of a modernised police service. The support of compliant procurement routes is essential to help deliver this programme.
- 3 The Police & Crime Plan 2017 – 21 identifies the need to 'invest in the tools they (officers) need to do their job' which includes improving the quality and versatility of the MOPAC estate to meet the needs of modern policing. This includes investment both in public facing buildings such as police stations, but also the operational support facilities critical to ensuring the police can "do their job".
- 4 The Director of Property Services confirmed that the Estates Transformation activity supports delivery of the Police and Crime Plan through the key business support objectives set out below:
  - Invest in and improve the quality of accommodation of the retained estate to support operational need, bringing it closer to communities where required;
  - Enhance and intensify the use of the retained estate through targeted investment to support smarter working – which, in turn, enables operational objectives to be met within a smaller estate.
  - Maximise the value of those assets released that are surplus to need in order to release capital for reinvestment to support operational need, underpinning the Capital Programme whilst keeping in consideration the wider mayoral objectives for Affordable Housing.
  - Reduce the running cost of the retained estate to support the objective of reducing back office costs to a maximum of 15% of the MPS total revenue spend by 2019/20.
- 5 For the period 2013 to 2017, construction consultancy services required by PSD has been appointed using the current Professional Services Framework. Lessons learned and benchmark data has been used from the previous framework to enhance the scope of services and arrangements to be provided by the new Framework.
- 6 The new Framework will directly support PSD in managing a significant capital investment in the MOPAC estate as part of the early development of key components of the Estates Transformation Plan in line with the developing Estates Strategy 2017 – 2021, and in support of the 'Smarter Working' and One Met Model (OMM) 2020 initiatives.
- 7 The Framework will provide a compliant, time and cost effective procurement route to deliver a programme of work once MOPAC are supportive of project outline and final business cases and receive DMPC approval.
- 8 PSD recommend that it will need to deliver projects over the next 4 years ranging in value from under £1M to over £50M.
- 9 It is essential that suitable support from professional services suppliers remains in place to manage the property obligations of the MOPAC. This is to ensure building compliance, design standards, property legal obligations and value for money are secured. Furthermore, the PSD operating model is designed to provide for a small in-house construction team supported by an external professional supply chain.

10 The new Framework is made up of 6 Lots encompassing the full scope of design and project management capabilities across indicative Estates Transformation projects currently planned for the next four years.

11 The Framework Lots include:

Lot 1 – Project Design Services (full design services) with a value not exceeding £2,000,000;

Lot 2 – Project Design Services (full design services) with a value exceeding £2,000,000;

Lot 3 – Project Management Services for design and build projects (all values);

Lot 4 - Cost Management Services;

Lot 5 - Programme Management Services; and

Lot 6 - Building Control Services

12 This new Framework will also complement and provide the project management resource that manages the new Minor & Intermediate Building Works Framework which has also recently undergone a separate OJEU procurement exercise and was approved in August 2017.

13 Further details as to the proposed Framework Lots and number of suppliers are set out in exempt Appendix 2.

## **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

### **Equality and Diversity Impact**

18. There are no negative equality or diversity implications arising from this procurement process. All bidders were evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise considered their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

### **Financial Implications**

19 The Estates Transformation Plan seeks to invest up to £714M in the property estate, enabling the disposal of buildings surplus to requirement, delivering capital receipts of £332M and revenue savings of £59M as part of the overall financial strategy.

20 The Construction Professional Service Framework will support delivery of the strategy, and does not commit MOPAC to any expenditure. Expenditure will be subject to individual business cases where authorisation will be sought in line with the approved MOPAC governance process.

21 Savings delivered by the framework will be recorded via the Business Procurement Plan (BPP) process and reported to the Home Office accordingly.

- 22 Bidders were requested to submit a range of fees at ITT stage to enable the MPS to form a baseline of tender prices. These prices include percentage fees, lump sum fees, day rates, and volume order discounts.
- 23 The framework will allow for various cost models dependent on the project requirements, e.g. lump sum fee for new build or refurbishment by value bands.
- 24 Frameworks provide 'non exclusivity' provisions which allow for further competitions outside the arrangement for specific projects in consideration of changing market conditions and ensuring we are achieving value for money, particularly for larger projects.

### **Legal Implications**

- 25 The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (PCR 2015). When awarding public contracts for goods and services valued at £172,514 or above, all contracting authorities must do so in accordance with PCR 2015. This report confirms the value of the requirement exceeds this threshold. Consequently, the provisions of the PCR 2015 will apply.
26. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent (the Scheme) requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above. This report is submitted to IAB pursuant to the aforementioned requirement and that Commercial Services received DMPC approval to commence the OJEU procurement exercise on the 27/10/2016.
27. A full OJEU restricted tender has been undertaken in accordance with Public Contract Regulations 2015. DLS appointed specialist legal firm, Michelmores LLP as lead commercial and procurement law advisor to Commercial Services.
- 28 The report confirms a procurement exercise has been undertaken to determine MOPAC can compliantly utilise the new Framework Agreement for the purpose of awarding call-off contracts under it.

### **Risk (including Health and Safety) Implications**

17. There are no health and safety issues regarding the award of this framework. Health and safety will be addressed on each project that is called off from the framework with appointment of a Principle Designer in accordance with Construction (Design and Management) Regulations 2015.

### **Responsible Procurement**

19. There are no adverse responsible procurement implications associated with this solution.
- 20 MOPAC is a signatory and contributor to the GLA's Responsible Procurement Policy and its six key commitments confirmed below:  
  
"We will strive to ensure that decisions taken by members of the GLA Group on the procurement of goods, works or services and/or in relation to the provision of grant



funding or financial assistance are undertaken in line with our commitments set out in this document under the six following themes:

- Enhancing social value
- Encouraging equality and diversity
- Embedding fair employment practices
- Enabling skills, training and employment opportunities
- Promoting ethical sourcing practices
- Improving environmental sustainability.

Wherever possible commercial relationships will be formed and nurtured with partnering and contracting organisations who share our values on responsible procurement”.

- 21 Throughout the tendering process all of the above themes were communicated, tested and evaluated as part of each companies bid.
- 22 Key themes from the GLA Responsible Procurement Policy were incorporated into the procurement process through use of specific questions that were evaluated by subject matter experts from Property Services, Finance, Legal and Commercial Services at both the initial Pre-Qualification Standard Selection Questionnaire (SSQ) stage and the subsequent Invitation to Tender (ITT) stage.
- 23 Some examples of the key documents, questions and lines of enquiry that communicate and test the GLA's Responsible Procurement Policy include:
  - Publication of various PSD policies both general and construction related
  - GLA (draft) & MPS Responsible Procurement Policy
  - MPS Environmental Policy
  - Environmental & Sustainability Management Framework
  - Construction Sustainability Code of Practice
  - Discretionary Exclusion Questions relating to breach of certain obligations under Public Contract Regulations 2015 (Reg. 57) at SSQ stage.
  - Questions in relation to Modern Slavery Act 2015 and Equalities Act 2010 at SSQ stage.
  - Questions in relation to The Public Services (Social Value) Act 2012, Responsible Procurement, Living Wage, Ethical Sourcing, Supplier Diversity & Apprenticeships, Skills & Training at ITT stage.
  - Small and Medium Enterprises (SME) - Following the pre-qualification process, a number of the companies that where shortlisted to tender were classed as SME. Of these submissions, five were successful across three of the six Lots. Most of the suppliers have a London and South East office location and / or draw upon staff located within the London region.

